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Harvey Hurdie, Treasurer Human Rights Campaign PAC 1640 Rhode Island Avenue NW Washington, DC 20036

Response One Date: November 19, 2004

Identification Number: C00235853

Reference:

September Monthly Report (8/1/04-8/31/04)

Dear Mr. Hurdle:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. This notice requests information essential to full public disclosure of your federal election campaign finances. An adequate response must be received at the Commission by the response date noted above. An itemization of the information needed follows:

Schedules A and B of your report disclose earmarked contributions. If the contributions passed through your committee's account, each must be itemized on Schedules A and B, regardless of the amount. If the earmarked contributions were forwarded in the form of the contributor's check, they should be disclosed as memo entries on Schedules A and B. For disclosure purposes, the name and mailing address for each contributor must be provided, and where the contribution exceeds \$200, the individual's occupation and name of employer must also be itemized. Please amend your report by providing on Schedule B the name of the candidate to whom the contribution was earmarked. 11 CFR \$110.6(c)(1)(v)

-Schedule B of your report discloses a \$5,000 payment(s) to your connected organization for "contribution." 2 U.S.C. §441b prohibits a corporation or labor organization from contributing or expending funds for the purpose of influencing any federal election; however, a connected organization may pay for the solicitation and administrative costs of its separate segregated fund. Further, 11 CFR §114.2(f) prohibits corporations and labor organizations from facilitating the making of contributions to candidates or political committees, other than to the separate segregated funds of the

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corporations and labor organizations. Facilitation means using corporate or labor organization resources or facilities to engage in fundraising activities in connection with any federal election. The use of corporate or labor organization resources in connection with a fundraiser is permissible only if the corporation or labor organization receives advance payment for the fair market value of such services.

Please amend your report to clarify whether the payment to your connected organization was for expenditures which were intended to influence federal elections and provide the dates of the activity conducted by your connected organization. In addition, please clarify whether your committee made advance payment for these services to your connected organization. Although the Commission may take further legal action concerning this matter, your prompt action will be taken into consideration.

-Schedule E of your report discloses a \$3,795.18 payment(s) to your connected organization for apparent independent expenditures made on behalf of federal candidates with purposes of "postage" and "salaries." 2 U.S.C. §441b prohibits a corporation or labor organization from contributing or expending fands for the purpose of influencing any federal election; however, a connected organization may pay for the solicitation and administrative costs of its separate segregated fund. Further, 11 CFR §114.2(f) prohibits corporations and labor organizations from facilitating the making of contributions to candidates or political committees, other than to the separate segregated funds of the corporations and labor organizations. Pacilitation means using corporate or labor organization resources or facilities to sogage in fundraising activities in connection with any federal election. The use of corporate or labor organization resources in connection with a fundraiser is permissible only if the corporation or labor organization receives advauce payment for the fair market value of such services.

Please amend your report to clarify whether the payment to your connected organization was for expenditures which were intended to influence federal elections and provide the dates of the activity conducted by your connected organization. In addition, please clarify whether your committee made advance payment for these services to your connected organization. Although the Commission may take further legal action concerning this matter, your prompt action will be taken into consideration.

-On Schedule E supporting Line 24 of the Detailed Summary Page, you disclose disbursements to Human Rights Campaign for "salaries" as memo entries with no corresponding itemized transaction. Please be advised, a

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memo entry is used to disclose additional information about an itemized transaction and the amount of a memo entry is <u>not</u> included in the total receipts or discursements for the report. Please amend your report to clarify this discrepancy and provide clarifying information regarding these apparent independent expenditures.

The independent expenditure schedule (Schedule E) should disclose the following information: the name and mailing address of the payee, the purpose of the expenditure, the date of payment, the amount of payment, the name and office sought, state and district (if applicable) of the federal candidate, the calendar year-to-date, per election, for office sought total, the election designation, an indication of whether the candidate was supported or opposed and the signature of the treasurer. Please amend Schedule E by providing the name and office sought, state and district of the federal candidate and the State of the Primary election for each independent expenditure. 11 CFR §104.3(b)(3)(vii) Please be advised that the Commission determined in Advisory Opinion 2003-40 that each State's Presidential primary is considered a separate election for purposes of aggregating independent expenditures.

Unlike previous election cycles, you will not receive an additional notice from the Commission on this matter. Adequate responses received on or before this date will be taken into consideration in determining whether audit action will be initiated. Requests for extensions of time in which to respond will not be considered. Failure to provide an adequate response by this date may result in an audit of the committee. Failure to comply with the provisions of the Act may also result in an enforcement action against the committee. Any response submitted by your committee will be placed on the public record and will be considered by the Commission prior to taking enforcement action.

Electronic filers must file amendments (to include statements, designations and reports) in an electronic format and must submit an amended report in its entirety, rather than just those portions of the report that are being amended. If you should have any questions regarding this matter or wish to verify the adequacy of your response, please contact me on our toll-free number (800) 424-9530 (at the prompt press 5 to reach the Reports Analysis Division) or my local number (202) 694-1141.

Sincerely,

Kristine Adams

Campaign Finance Analyst Reports Analysis Division